

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of

CONTEMPORARY MEDIA, INC.

Licensee of Stations WBOW(AM), WZZQ(AM), and
WZZQ (FM), Terre Haute, Indiana

Order to Show Cause Why the Licenses for Stations
WBOW(AM), WZZQ(AM), and WZZQ(FM) Terre Haute,
Indiana, Should Not Be Revoked

CONTEMPORARY BROADCASTING, INC.

Licensee of Station KFMZ(FM), Columbia Missouri, and
Permittee of Station KAAM-FM, Huntsville, Missouri
(unbuilt)

Order to Show Cause Why the Authorizations for
Stations KFMZ(FM), Columbia, Missouri; and KAAM-FM,
Huntsville, Missouri, Should Not Be Revoked

LAKE BROADCASTING, INC.

Licensee of Station KBMX(FM), Eldon, Missouri and
Permittee of Station KFXE(FM), Cuba, Missouri

Order to Show Cause Why the Authorizations for
Stations KBMX(FM), Eldon, Missouri; and KFXE(FM),
Cuba, Missouri, Should Not Be Revoked

LAKE BROADCASTING, INC.

For a Construction Permit for New FM Station on
Channel 244A at Bourbon, Missouri

To: The Honorable Arthur I. Steinberg
Administrative Law Judge

MM DOCKET NO. 95-154

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File No. BPH-921112MH

LICENSEES' PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

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SUMMARY

The ultimate question in this proceeding is whether the evidentiary record, considered as a whole, when weighed against Commission policy and case precedent, constitutional law principles, and the paramount public interest, requires the revocation of the Licensees' licenses and construction permits.

Neither the record evidence nor the law supports an adverse conclusion under any of the three designated issues. Consequently, revocation of any of the Licensees' licenses or permits, or the levying of a forfeiture, is unwarranted.

In sum, the Bureau has failed to prove that the Licensees lack the basic qualifications to be or remain licensees, that the Licensees have misrepresented facts to the Commission, or that Mr. Rice and/or the Licensees engaged in the unauthorized transfer of control of the Licensees. Under these circumstances, the Licensees and Mr. Rice should be fully exonerated on all the Issues raised in this proceeding.

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CONTEMPORARY MEDIA, INC.)

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LAKE BROADCASTING, INC.)

For a Construction Permit for New FM Station on)
Channel 244A at Bourbon, Missouri)

File No. BPH-921112MH

To: The Honorable Arthur I. Steinberg
Administrative Law Judge

LICENSEES' PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW

Appearances of Counsel

Howard J. Braun, Jerold L. Jacobs, Shelley Sadowsky and
Michael D. Gaffney on behalf of Contemporary Media, Inc., Contempo-
rary Broadcasting, Inc. and Lake Broadcasting, Inc.; Robert Zauner
and Anthony Mastando on behalf of the Mass Media Bureau.

I. PRELIMINARY STATEMENT

1. As will be detailed in Section II below, on April 1,
1991, Michael S. Rice, sole or majority shareholder of Contemporary
Media, Inc., Contemporary Broadcasting, Inc. and Lake Broadcasting,

Inc., the licensees of the above-referenced stations (collectively, the "Licensees"), was formally charged with deviate sexual assault. Thereafter, the Licensees voluntarily filed periodic reports with the Commission pursuant to §1.65 of the Commission's Rules concerning the status of Mr. Rice's criminal proceeding. On August 31, 1994, Mr. Rice was convicted and sentenced to a Missouri State Correctional Center, and the Commission was duly notified of same by the Licensees.

2. By Order to Show Cause and Notice of Apparent Liability ("Show Cause Order"), 10 FCC Rcd 13685 (1995), the Commission directed the Licensees to show cause in a hearing why the licenses and construction permits held by the Licensees should not be revoked. The hearing issues specified in the Show Cause Order were as follows:

- (1) To determine the effect of Michael Rice's convictions on the basic qualifications of the Licensees;
- (2) To determine whether the Licensees misrepresented to the Commission that, subsequent to his arrest, Michael Rice has been excluded from the management and operation of the Licensees' radio stations;
- (3) To determine, pursuant to §310(d) of the Communications Act of 1934, as amended (the "Act"), whether Michael Rice has engaged in the unauthorized transfer of control of the Licensees; and
- (4) To determine, in light of the evidence adduced under the foregoing issues, whether the Licensees possess the requisite qualifications to be or remain licensees of their respective radio stations.

3. In accordance with §312(d) of the Act, the Show Cause Order assigned to the Mass Media Bureau (the "Bureau") both the burden of proceeding with the evidence and the burden of proof. Show Cause Order at ¶22.

4. The Show Cause Order also stated that if the hearing record does not warrant an Order revoking the Licensees' above-captioned licenses, it shall be determined whether any of the Licensees (a) willfully or repeatedly misrepresented facts to the Commission in violation of §73.1015 of the Rules or (b) engaged in an unauthorized transfer of control in violation of §310(d) of the Act and §73.3540 of the Rules and, if so, whether an Order for Forfeiture should issue pursuant to §503(b) of the Act in an amount up to \$250,000 against any of the Licensees for such violation(s) of the Act and/or the Rules.

5. Prehearing conferences were held on November 29, 1995 and March 5, 1996. The hearing commenced on April 2, 1996, with the admission of the parties' respective written direct case exhibits¹. Witnesses appeared for live testimony on April 9, May 21, and

¹ Hearing exhibits sponsored by the Bureau will be cited herein as "Bur. Exh. ____". For consistency and convenience, hearing exhibits sponsored by the Licensees will be cited herein as "Lic. Exh. ____" instead of "Contemporary Exhibit____", as they were referred to in the hearing. Citations to hearing transcript pages will be noted as "Tr. ____".

May 22, 1996.² The record was closed at the conclusion of the May 22, 1996 hearing session (Tr. 642).

6. Proposed Findings of Fact and Conclusions of Law are being filed by Licensees and the Bureau on September 9, 1996, and Reply Findings and Conclusions are due to be filed by the Licensees and the Bureau on September 27, 1996.

II. PROPOSED FINDINGS OF FACT

A. Licensees' Ownership and Control

1. Contemporary Media, Inc. ("CMI")

7. CMI is the licensee of Stations WBOW(AM) and WZZQ(AM)-FM, Terre Haute, Indiana. Michael Rice is the sole shareholder of CMI, which has a three-person board of directors. For several years until August 23, 1991, CMI's board consisted of Michael Rice, his father, Malcolm Rice, and Martin Toft. On August 23, 1991, Martin Toft resigned from the board, and Janet Cox was appointed to replace him. The makeup of the board has remained unchanged since then. Lic. Exh. 1, pp. 2-3.

8. Since CMI was established, Michael Rice has been the President and Treasurer, and Malcolm Rice has been a Vice President of CMI, and they continue to hold these titles. By resolution of

² The Bureau did not rely on any witness testimony, written or oral, in the presentation of its direct case. See Bur. Exhs. 1 through 12. The Licensees sponsored the written testimony of four witnesses (Janet Cox, Daniel Leatherman, Richard Hauschild and Kenneth Brown), two of whom (Janet Cox and Daniel Leatherman) appeared for cross-examination at the Bureau's request on April 9, 1996. The Bureau then called two rebuttal witnesses (Leon Paul Hanks and John Rhea), whose testimony was given on May 21, 1996, over the objection of the Licensees. The hearing concluded with the Licensees' presentation of surrebuttal testimony of Janet Cox and Richard Hauschild on May 22, 1996.

the board dated March 13, 1991, Janet Cox became a Vice President of CMI, and she continues to hold this title. Mrs. Cox became the Secretary of CMI upon Martin Toft's resignation from that position on August 23, 1991. Lic. Exh. 1, p. 3.

2. Contemporary Broadcasting, Inc. ("CBI")

9. CBI is the licensee of Station KFMZ(FM), Columbia, Missouri, and the permittee of Station KAAM-FM, Huntsville, Missouri. CBI is a wholly-owned subsidiary of CMI with a three-person board of directors. Like CMI, CBI's board consisted of Michael Rice, Malcolm Rice and Martin Toft for several years until Toft's resignation on August 23, 1991, at which time Janet Cox was appointed to replace him. The makeup of the Board has remained unchanged since then. Lic. Exh. 1, pp. 3-4.

10. Since CBI was established, Michael Rice has been the President and Treasurer, and Malcolm Rice has been a Vice President of CBI, and they continue to hold these titles. By resolution of the Board of Directors dated May 8, 1991, Janet Cox became a Vice President of CBI, and she continues to hold this title. Mrs. Cox also became the Secretary of CBI upon Martin Toft's resignation from that position on August 23, 1991. Id., pp. 3-4.

3. Lake Broadcasting, Inc. ("LBI")

11. LBI is the licensee of Station KBMX(FM), Eldon, Missouri, the permittee of unconstructed Station KFXE(AM), Cuba, Missouri, and an applicant for a new FM station in Bourbon, Missouri. The shareholders of LBI are Michael Rice (67.5%), Dennis Klautzer (20%) and Kenneth Kuenzie (12.5%).

12. LBI has had a two-person board of directors consisting of Michael Rice and Kenneth Kuenzie since 1988. Since LBI's formation that year, Michael Rice has held the titles of President and Treasurer, Mr. Kuenzie has held the title of Vice President, and Mr. Klautzer has held the title of Secretary. In December 1991, Janet Cox was appointed Vice President of Lake by resolution of the Board of Directors. Id., pp. 4-5.

B. Issue No. 1: Felony Convictions of Michael Rice

13. In November, 1990, Michael Rice was arrested in St. Charles County, Missouri, for criminal charges involving sexual acts with a teenager, and formal criminal proceedings were initiated against him. At a March 21, 1991 preliminary hearing, the Associate Judge of the Circuit Court of St. Charles County found probable cause to certify the case for arraignment in Circuit Court. **Bur. Exh. 1**, pp. 37-38. On April 1, 1991, the Prosecuting Attorney of St. Charles County issued an Information formally charging Michael Rice with sexual assault. **Bur. Exh. 12**. The Information was subsequently amended on January 6, 1993, and July 5, 1994, each time modifying the number of counts and the number of accusers. **Bur. Exhs. 13 and 1**, pp. 7-12. Michael Rice entered a plea of not guilty to the Second Amended Information. **Bur. Exh. 1**, p. 14.

14. On July 11, 1994, in lieu of a trial, Michael Rice, his criminal attorney and the Assistant Prosecuting Attorney executed a Memorandum (the "Memorandum") stipulating to the testimony that the prosecutor expected to be given at trial by five accusers who

were between the ages of 13 and 16 at the time of the alleged offenses. The charges stemmed from alleged events which occurred exclusively between December, 1985 and October, 1990. Bur. Exh. 1, pp. 14-19. The Memorandum reflected that Mr. Rice specifically did not admit that any of the testimony of the accusers was true or that any of the alleged acts took place. Id.

15. Upon execution of the Memorandum, the matter was submitted to the Circuit Court of St. Charles County for a decision. On August 31, 1994, Michael Rice was convicted of four counts of sodomy, six counts of deviate sexual assault in the first degree and two counts of deviate sexual assault in the second degree (under Missouri law, RSMo. §§566.060, 566.070, 566.080, respectively) and sentenced to eight years. The convictions carried a maximum penalty of 84 years. Bur. Exh. 1, pp. 7-11, 21-22. He was incarcerated at the Farmington Correctional Center, Farmington, Missouri, on September 30, 1994. Lic. Exh. 1, p. 14.

1. Mitigation Factors Relevant to Issue No. 1

16. In mitigation of Mr. Rice's felony conviction,³ the Licensees presented the following evidence:

a. Licensees' Record of FCC Compliance

17. Since their inception, Station KBMX, licensed to LBI, and Station KFMZ, licensed to CBI, have never been fined by the FCC. WBOW and WZZQ, each licensed to CMI, have been fined only once. In November 1989, they received forfeitures totalling \$900 for a

³ The Commission's Character Policy Statements (see ¶¶114-116, infra) permit the Licensees to introduce evidence relating to mitigation.

logging violation in connection with Emergency Broadcast System transmissions and an improperly prepared quarterly issues/programs list. Otherwise, the stations' collective record before the Commission has been unblemished. Lic. Exh. 1, pp. 14-15.⁴

b. Community Reputation

18. Four individuals who have known Michael Rice personally and/or professionally for many years offered statements relating to Mr. Rice's character and reputation in the broadcast community. Lic. Exh. 5.

19. J.S. Sellmeyer, P.E., a consulting broadcast engineer who has known Michael Rice for more than 20 years on both a personal and professional basis, stated:

Mr. Rice has been a conscientious and progressive broadcaster in the period of time I've known him. He has always put forth his best efforts and the financial resources necessary to provide the best facilities and community service in the communities he serves. He has also provided guidance to many people in the broadcast industry, many of whom hold positions of high responsibility in the industry today.

In sum, Michael Rice and the licensee corporations, in my opinion, have always operated high quality broadcast stations and have always done their utmost to operate in full compliance with all Commission Rules and Policies. They have been honest, responsible broadcasters.

Lic. Exh. 5, p. 7-8.

⁴ With respect to the Licensees' record of FCC compliance and operation in the public interest, the Licensees tendered documentation (Appendices A to Lic. Exhibits 2-5 and related testimony) of their respective stations' records of public service and community involvement. However, the Presiding Judge rejected such evidence on relevancy grounds. Tr. 99-101, 105, 108. The Licensees took exception to this ruling.

20. James Andrew Butler, currently a Communications Systems Engineer with the Public Broadcasting Service, who worked as the Operations Manager at KFMZ for four years beginning in 1971 (Lic. Exh. 5, pp. 1-3), stated:

[I] have kept in touch with Mike Rice, visiting his expanded operations from time to time, participating with him in industry conferences and watching him work on volunteer association committees to help improve broadcasting. I have found him to be a consistent source of information and inspiration. He has a keen understanding of the business of broadcasting and a strong commitment to "do it right". This knowledge and commitment have been a great benefit to the communities his stations serve and the larger community of the US broadcasting industry. I continue to learn from him and be constantly challenged by his high standards.

Lic. Exh. 5, pp. 1-3.

21. Ronald P. Thompson, an insurance broker who brokered property and casualty insurance for Michael Rice and the Licensees' stations since 1985, stated:

All of my dealings with Michael Rice (at least once a year) were professional and businesslike. He was always fair and honest with me, and considerate of my advice. . . . Mike Rice recognized the importance of incorporating community involvement with his stations, to build up listeners and produce advertising revenue. His reputation in the radio broadcast business was excellent, according to everything I heard.

Lic. Exh. 5, p. 10.

22. Fellow broadcaster, William White, Chairman of the Board and General Manager of Station KIRL(AM), St. Charles, Missouri, has known Michael Rice for 30 years. He stated:

Mike Rice was our Chief Engineer for 17 years, and he has done an excellent job.

Mike has created a lot of jobs and helped a lot of other people at his other Radio Stations in Indiana and Missouri.

Through his engineering ability he has helped other women and men to attain their goals. A person like him with his education and background & leadership ability can continue to help ladies and men complete their education, and help them with employment opportunities across the country.

Lic. Exh. 5, p. 12.

c. Participation of Management and Owners

23. No other officer, director, shareholder or managerial employee of the Licensees, nor any of the Licensees' stations, were in any way involved in the criminal misconduct for which Michael Rice was convicted. Lic. Exh. 1, p. 15.

d. Frequency and Currentness of Misconduct/Time Elapsed Since Misconduct

24. See ¶14, supra. There is no evidence that Mr. Rice engaged in any misconduct subsequent to the dates alleged in the Memorandum. Over six years have passed since the last event giving rise to the charges against Mr. Rice.

e. Seriousness of Misconduct

25. See ¶15 supra.

f. Measures Taken to Prevent Further Misconduct -- Licensees' Efforts to Exclude Michael Rice From Management of Stations

(1) Background re: Janet Cox's Role in Management Prior to April 1991⁵

26. When Michael Rice's criminal proceeding was pending, the Licensees' Boards of Directors took prompt measures to exclude him

⁵ As further explained below, April 1991 is a significant date herein because Michael Rice was formally charged on April 1, 1991, and was hospitalized immediately thereafter for seven months, during which period the Licensees began voluntarily reporting to the Commission the status of Mr. Rice's criminal proceeding and the status of his involvement in the Licensees' stations.

from the management and operation of the Licensees' radio stations, relying principally on Janet Cox to oversee the management of the Licensees and the Stations. By way of background, Mrs. Cox was initially hired by Michael Rice and Malcolm Rice as a bookkeeper with CBI and CMI in July 1982. At that time, CBI owned Station KFMZ, and CMI had recently acquired Stations WBOW (now WZZQ(AM)) and WBOQ(FM) (now WZZQ-FM). Lic. Exh. 1, pp. 2, 5. Over time, Mrs. Cox was delegated managerial responsibilities, and within approximately two years, became responsible for hiring and training the stations' traffic and sales employees and developing the stations' annual budgets. She also made presentations of CMI and CBI's business and financial plans to banks to obtain financing. Id., p. 5.

27. In 1988, when Michael Rice, Kenneth Kuenzie and Dennis Klautzer formed LBI to own and operate KBMX, Mrs. Cox had managerial duties in connection with the station's start-up. She hired the sales and support staff, established office procedures, negotiated contracts, made presentations to banks for loans, and dealt with all vendors relating to furnishing the station's offices. Id., pp. 5-6.

28. Mrs. Cox's role in the day-to-day management of the Licensees and oversight of the radio stations' business operations increased from 1988 to 1991, as Michael Rice devoted more of his time to engineering and technical matters, which he enjoyed, and to his other business interests, i.e., real estate and broadcast tower

leasing.⁶ Similarly, LBI's other shareholders/officers, Messrs. Kuenzie and Klautzer, each were (and continue to be) employed full-time at other broadcast stations, which limited their involvement in overseeing the day-to-day management of LBI's station. Lic. Exh. 1, pp. 6, 9-10.

**(2) Corporate Actions Following
Michael Rice's Formal Charges**

29. On April 3, 1991, two days after formal criminal charges were issued against Michael Rice, he was voluntarily hospitalized at the Barnes Hospital, St. Louis, Missouri, for in-patient psychiatric treatment. In view of the criminal charges, the Licensees' respective Boards of Directors adopted resolutions excluding Michael Rice from a managerial, policymaking or consultative role in the operation of the Licensees' stations. These resolutions were adopted in lieu of 1991 annual meetings of the Boards. Lic. Exh. 1, pp. 6-7, Appendices D - F. Mrs. Cox testified that it was her idea, without consulting counsel, to adopt the resolutions. Tr. 329.

30. The corporate resolutions provided that, in consultation with Malcolm Rice, Janet Cox was to assume the responsibilities of chief executive officer of CMI and CBI and manage their stations in conjunction with the stations' general managers; Kenneth Kuenzie was to assume the same responsibilities for LBI. However, because

⁶ CMI owns two AM towers in Terre Haute. CBI owns broadcast towers in Columbia, Missouri, and Ashland, Missouri, both of which have tenants; LBI owns a broadcast tower in Lake of the Ozarks, Missouri, which has tenants, and Mr. Rice, personally, owns the FM tower on which WZZQ-FM and various tenants' antennas are located. Lic. Exh. 1, p. 6.

Mr. Kuenzie was involved full-time in the ownership and operation of Stations KSLQ(AM)-FM, Washington, Missouri, he delegated to Janet Cox the responsibility of working with the General Manager of KBMX in overseeing the day-to-day management and operations of that station. Lic. Exh. 1, pp. 8-9, Appendices D - F.

31. Mrs. Cox's elevation to the position of Chief Executive Officer of the Licensees was reflected in a salary increase and employment contract which she entered into with CMI and CBI, dated June 1, 1991. Lic. Exh. 1, p. 9, Appendix H. Mrs. Cox testified that if she did not have her employment position with the Licensees, she could continue to live in the style to which she has been accustomed. Tr. 600.

32. Within a few weeks after Mr. Rice was hospitalized, Janet Cox traveled to the Licensees' stations for meetings with the staffs for the purpose of informing them of her assumption of the Chief Executive Officer position and Michael Rice's withdrawal from involvement in station operations. Id., p. 9. Mrs. Cox testified that she told the various stations' staff members, not all of whom attended the meetings, that Mr. Rice was hospitalized and would not be involved in the operations of the stations, and that the stations would continue to operate in the manner in which they had been operating -- very professionally -- and that the employees "were the station, not anyone else". She did not give them a time frame in which Mr. Rice would remain uninvolved in the stations. Tr. 209.

33. As will be discussed in further detail in Section C below, after his hospitalization ended, Mr. Rice resumed limited

involvement in certain of the stations' operations, at the recommendation of his psychiatrist and with the authorization of Janet Cox, until he was incarcerated. No corporate resolutions were passed authorizing Michael Rice to undertake work for the Licensees' stations. As to why that was the case, Mrs. Cox explained: the corporations had always been informally structured; Michael Rice had a lot going on his life at the time -- his legal proceedings, his mother's ill health and his father's confinement with her; and, it was "a housekeeping function that was not done." Tr. 328-329.

C. Issue No. 2: Whether the Licensees Misrepresented Michael Rice's Involvement in Licensees' Stations After April 1991

1. Licensees' Notifications to the FCC of Michael Rice's Status

34. Pursuant to their obligations under §1.65 of the Commission's Rules, the Licensees commenced filing reports to the Commission concerning Michael Rice's pending criminal charges, beginning with a June 14, 1991 Statement Pursuant to §1.65, signed by LBI Vice President Kenneth Kuenzie and filed in connection with a then pending major modification application of LBI. Lic. Exh. 1, Appendix G-1; Bur. Exh. 1, pp. 34-40. Therein, it was also reported that:

[s]ince Mr. Rice's hospitalization on April 3, 1991, he has had absolutely no managerial, policy, or consultative role in the affairs of the [Licensees] in which he has ownership interests and officer positions. . . . In other words, pending a resolution of the referenced criminal charges, Mr. Rice is being completely insulated and excluded from any involvement in the managerial, policy, and

day-to-day decisions involving any of the four licensed stations and three construction permits held by the [Licensees].

Bur. Exh. 1, p. 39.

35. On June 21, 1991, a second \$1.65 Statement was filed by CBI and was signed by Janet Cox in her capacity as Vice President. The above-quoted statement from LBI's filing was repeated in CBI's filing. ALJ Exh. 1.

36. Further updates on Mr. Rice's criminal proceeding and his status vis-a-vis the stations were provided in \$1.65 statements, applications and correspondence filed with the Commission in July, August and December, 1991; February, May, September and November, 1992; February and June, 1993; and, August and September, 1994. Lic. Exh. 1, p.7. See, e.g., Lic. Exh 1, Appendix G-2; Bur. Exh 1, pp. 42-55.

37. Consistent with the language quoted above from the June 14, 1991 \$1.65 Statement, Mrs. Cox testified that during Michael Rice's approximate six-month hospitalization, and for several weeks after his discharge in October, 1991 (Tr. 537), she had no direct contact with him. Although she stated that she had indirect contact with Michael Rice through his father, Malcolm, who visited him in the hospital, the elder Mr. Rice did not relay any instructions to her from Michael concerning how to run the stations. Tr. 220-221.

38. Mrs. Cox testified that several weeks after his release from the hospital, Michael Rice came to the Licensees' headquarters office and informed her that his psychiatrist advised him that it was important for his mental health to resume business interests

that he enjoyed and to remain active. Lic. Exh. 1, pp. 10-11. Mr. Rice told her he might be interested, from time to time, in "working on repair of equipment, things of that nature, but he said nothing ... heavy." Tr. 204.

39. Given the circumstances of Mr. Rice's impending criminal trial, Mrs. Cox suggested that it would be in the best interest of the Licensees from both a public relations and a regulatory standpoint, that he continue to remain completely uninvolved in the oversight and management of the Licensees' operations until and unless he was exonerated, and Mr. Rice concurred. Lic. Exh. 1, p. 11. When asked to explain her regulatory concern, Mrs. Cox indicated that it was in connection with the fact that the Licensees had been reporting to the Commission that Mr. Rice "was not involved, so therefore, he should not be involved." Tr. 224.

40. However, consistent with the advice of Mr. Rice's psychiatrist, Ms. Cox decided that Mr. Rice could provide assistance to the Licensees' consulting engineers and stations' chief engineers on technical projects for the stations, as necessary. Lic. Exh. 1, pp. 8, 11. She made that decision, in her words, from an "economic standpoint"; since Mr. Rice was receiving a salary⁷ anyway, she told him "we might as well get some good out of you". Tr. 225. Mrs. Cox did not speak directly to Mr. Rice's doctor

⁷ Over the Licensees' objection because they did not have the burden of proof in this proceeding, the Presiding Judge, at the hearing, ordered the Licensees to disclose Michael Rice's salary from April 1, 1991 through September 30, 1994, on which date he stopped collecting a salary and was incarcerated. The Licensees, over objection, complied with the Judge's directive. Tr. 315; 345-346; 348-349; 535-537.

before agreeing to permit Mr. Rice to perform any limited tasks for the stations. Tr. 204. The technical projects that Mr. Rice worked on were cleared with Mrs. Cox first. Tr. 205, 225.

41. In connection with the reports filed with the Commission, Mrs. Cox testified that since Michael Rice began to engage in limited and sporadic engineering projects for the stations in early 1992, the Licensees' reports filed with the Commission were updated to more accurately describe Mr. Rice's changed role. Lic. Exh. 1, p. 8. Prior to May 1992, the reports stated that Michael Rice had no managerial, policy or "consultative" role in the affairs of the Licensees and their stations. In a May 14, 1992 filing, and in subsequent reports, the reference to "consultative" role was deleted so that the pertinent language read as follows:

Mr. Rice is no longer hospitalized, but he continues to be treated by his physicians as an outpatient, and he continues to have no managerial or policy role in the affairs of the [Licensees] in which he has ownership interests and corporate positions.

Lic. Exh. 1, p. 8, Appendix G-2 (Emphasis added). Mrs. Cox testified that the decision to drop the reference to "consultative" role was made by her. She did so because she intended to use Mr. Rice in a consultative capacity. "He was drawing a paycheck. He was available at certain times. So ... I said why not - as the expression goes - why not get some bang for the buck." Tr. 298.

2. Michael Rice's Post-Hospitalization Involvement in Technical/Engineering Projects

42. Janet Cox testified that Mr. Rice assisted from time to time in the repair or installation of equipment at the various